



MEMORANDUM

To: Members of the Reforms, Restructuring and Reinventing Committee

From: Wendy Block, Michigan Chamber of Commerce

Subject: Support Workers' Compensation Reforms (HB 5002)

Date: November 9, 2011

This memorandum is to urge you to **support much-needed reforms to Michigan's Workers' Compensation Act (HB 5002)**. The goal of these changes is to update, reform and modernize key areas of the workers' compensation law, which will provide increased certainty for employees and employers, keep premiums affordable for job providers and generally make Michigan more economically competitive.

For too long, the law has changed from court ruling to court ruling, creating inconsistency, confusion and ambiguities -- and resulting in high premiums for job providers. HB 5002 would put an end to the flip-flopping and work in the best interest of workers and employers alike by providing increased clarity to common disputes interested parties are often forced to spend thousands of dollars litigating.

The House spent considerable time addressing concerns and clarifying key provisions, including:

- Clarifying what a partially disabled worker needs to do to reattach him or herself to the workforce. The House version establishes an affirmative duty to seek work reasonably available to a partially injured employee and specifies there will be no arbitrary reduction of benefits for "theoretical" or "virtual" jobs by clarifying that a worker only has a wage earning capacity if a job is "reasonably available" to that person. Further, the bill gives magistrates discretion in determining whether individuals are making good-faith job search efforts.
- Forging a compromise on the period of time that an employer controls medical treatment for workers comp claims. Current law provides for 10 days. The House version provides for 45 days, down from 90 days in the introduced version of HB 5002.
- Tightening the language dealing with pensions and mental disabilities to address labor unions' concerns, including police and fire.